

**POSTAL REGULATORY COMMISSION**  
**901 New York Avenue, NW**  
**Suite 200**  
**Washington, D.C. 20268-0001**

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**FORM 8-K**

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**CURRENT REPORT**  
**Pursuant To Section 13 or 15(d) of**  
**The Securities Exchange Act of 1934**  
**and Section 3654 of**  
**The Postal Accountability and Enhancement Act of 2006**

Date of Report (Date of earliest event reported): May 6, 2009

**United States Postal Service**  
(Exact name of registrant as specified in its charter)

**n/a**  
(State or other jurisdiction of incorporation  
or organization)

**n/a**  
(Commission File Number)

**41-076000**  
(I.R.S. Employer Identification No.)

**474 L'Enfant Plaza, SW**  
**Washington, D.C.**  
(Address of principal executive offices)

**20260**  
(Zip Code)

**202-268-2000**  
(Registrant's telephone number, including area code)

**n/a**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On May 6, 2009, the United States Postal Service announced financial results for the second quarter of fiscal year 2009. Attached hereto are a press release and certain supplemental information setting forth those financial results.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 99.1 Press release issued on May 6, 2009 regarding financial results for the fiscal quarter ended March 31, 2009.

Exhibit 99.2 Supplemental Information.

## Signatures

Pursuant to the requirements of the Postal Accountability and Enhancement Act of 2006, the Postal Service has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

United States Postal Service

(Registrant)

By: 

(Signature)

Vincent H. DeVito

Vice President, Controller

Date: May 6, 2009

Exhibit 99.1

(See attached)

FOR IMMEDIATE RELEASE  
May 6, 2009

Contact: David Partenheimer  
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Release No. 09-047

## **Postal Service Ends Second Quarter with \$1.9 Billion Loss** *Year-End Cash Shortfall Possible Despite Aggressive Cost Reductions; Mail Incentive Programs Introduced to Offset Unprecedented Volume Declines*

WASHINGTON, DC — The U.S. Postal Service ended its second quarter (Jan 1 – March 31) with a net loss of \$1.9 billion, as the economic recession and longer-term financial pressures, such as the diversion of letter mail to electronic alternatives, continued to reduce mail volume and revenue. Despite aggressive actions to reduce costs and grow revenue, the Postal Service will likely face a cash shortfall of over \$1.5 billion at the end of the fiscal year.

The Postal Service has incurred net losses from operations in 10 of the last 11 fiscal quarters. The year-to-date net loss is \$2.3 billion, compared to a loss in the same period last year of \$35 million. A significant portion of the losses over this period can be attributed to an unprecedented decline in mail volume. In the second quarter, mail volume totaled 43.8 billion pieces, down 7.5 billion pieces, or 14.7 percent, compared to a year ago.

The second-quarter results include operating revenue of \$16.9 billion, a decrease of nearly \$2 billion, or 10.5 percent, from the same period last year, and operating expenses of \$18.8 billion, a reduction of \$782 million, or 4.0 percent, from the second quarter of last year. Complete second-quarter results are contained in the Postal Service Form 10-Q report, available at [www.usps.com/financials](http://www.usps.com/financials) (click Form 10-Q under Quarter Reports).

"The economic recession has been tough on the mailing industry, and we have seen an unprecedented decline in mail volumes and revenue that continued to accelerate during the second quarter," said Postmaster General John Potter during today's Board of Governors meeting. "We are aggressively realigning our costs to match the lower mail volumes, while also maintaining the high level of service and reliability our customers expect. We are also taking a number of steps to grow revenue."

The Postal Service has recently developed incentive programs to increase mail volume, including advertising mail and Priority Mail. In addition USPS has proposed a summer sale for Standard Mail, which is currently under review by the Postal Regulatory Commission.

The Postal Service continues to support H.R. 22, a House bill that would redirect a portion of the Postal Service's prior payments to the Postal Service Retiree Health Benefits Trust Fund to pay its share of contributions for current retiree health benefits through 2016. If enacted, the legislation would reduce the projected 2009 net loss by approximately \$2 billion and help enable the Postal Service to meet its 2009 financial obligations. The bill was introduced by Rep. John McHugh (R-NY) and co-sponsored by Rep. Danny Davis (D-IL). As of today, the bill has 297 co-sponsors.

### **Cost Reductions**

"We are aggressively reducing work hours and other costs to limit losses, preserve cash and improve productivity," said Joseph Corbett, chief financial officer and executive vice president. Initiatives designed



to match work hours to reduced volume have resulted in a work-hour decline of 58 million hours – the equivalent of a reduction of 33,000 full-time employees – in the first half of FY 2009, despite an increase in the number of delivery points by 1.1 million from the same period last year. The work-hour reduction is on pace to meet the goal of reducing work hours by more than 100 million for the entire year, the equivalent of 57,000 full-time employees.

Corbett said other savings are coming from consolidating excess capacity in mail processing and transportation networks, realigning carrier routes, halting construction of new postal facilities, freezing Postal Service officer and executive salaries at 2008 pay levels, reducing travel budgets and similar measures.

# # #

**Please Note:** For broadcast quality video and audio, photo stills and other media resources, visit the USPS Newsroom at [www.usps.com/news](http://www.usps.com/news).

An independent federal agency, the U.S. Postal Service is the only delivery service that reaches every address in the nation, 149 million residences, businesses and Post Office Boxes, six days a week. It has 34,000 retail locations and relies on the sale of postage, products and services, not tax dollars, to pay for operating expenses. Named the Most Trusted Government Agency five consecutive years by the Ponemon Institute, the Postal Service has annual revenue of \$75 billion and delivers nearly half the world's mail.

Exhibit 99.2

(See attached)



UNITED STATES  
POSTAL SERVICE®

# **Financial Update**

## **Board of Governors' Open Session May 6, 2009**

**Joseph Corbett**

**Chief Financial Officer & Executive Vice President**



# Economy - Business Impact

## Daily Stock Market Performance



## UPS Revenue May Fall a Second Time on Shipping Slump (Update2)

By Mary Jane Credeur



April 22 (Bloomberg) -- United Parcel Service Inc., the world's largest package-delivery company, may say first-quarter revenue fell for just the time in 10 years as businesses cut shipping to thin out **inventories**.

Sales probably dropped 8.7 percent to \$11.6 billion, based on the average estimate of 13 analysts surveyed by Bloomberg before UPS reports earnings tomorrow. Profit likely tumbled 38 percent to \$570 million, or 57 cents a share.

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## GM Might Slow Production

To combat slumping sales, the automaker might halt production at some of its U.S. factories for up to nine weeks.

A11

## Interest Rates

Consumer Rates		
Money market funds	1.33	4.86%
6-Month CDs	1.56	30 Year fixed mortgage
1-Year CDs	2.02	0.25%
5-Year CDs	2.72	Federal Funds
New car loan	7.38	1.10%
Home-equity loan	8.32	LIBOR 3-Month
		1 Year APIM

## Declining Inventories Could Help Economy

Some Companies Placing New Orders

By NEIL JEWIS  
Washington Post Staff Writer

CNNMoney.com

Home Business News Markets Personal Finance Retirement Technology Luxury Small Business

SPECIAL REPORT Road to Rescue

## Wells Fargo does better than advertised

The bank officially reports a record first-quarter gain, topping projections made earlier this month, thanks to a spike in mortgage refinancings.

CNNMoney.com

Home Business News Markets Personal Finance Retirement Technology Luxury Small Business

## Microsoft profit sinks 32% on weak PC sales

Software giant revenue and earnings miss estimate as PC sales slip, but manages to meet analysts' tepid estimates.

By David Goldman, CNNMoney.com staff writer  
April 23, 2008 4:36 PM ET

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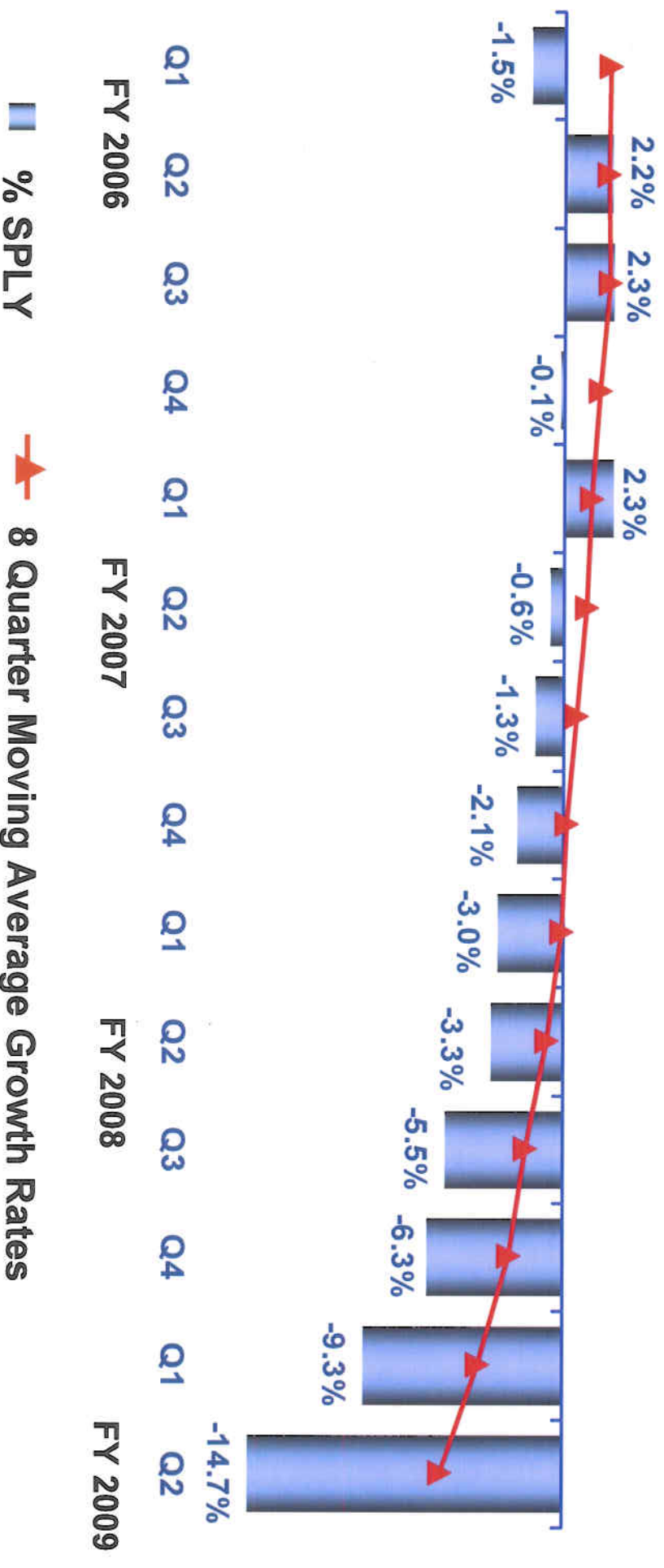
# **Financial Results**

## **Quarter II**

### **and**

## **March YTD FY 2009**

# Total Mail Volume



# Statement of Operations

## Quarter II FY 2009

	<u>Actual</u>	<u>SPLY</u>	<u>SPLY</u>	<u>%SPLY</u>
Revenue	\$16,945	\$18,923	[-\$1,978]	[-10.5%]
Expense	<u>18,850</u>	<u>19,630</u>	<u>-780</u>	<u>-4.0%</u>
Net Loss	<u><u>-\$1,905</u></u>	<u><u>-\$707</u></u>	<u><u>[-\$1,198]</u></u>	<u><u>[169.4%]</u></u>

**Mail Volume (%SPLY): -14.7%**

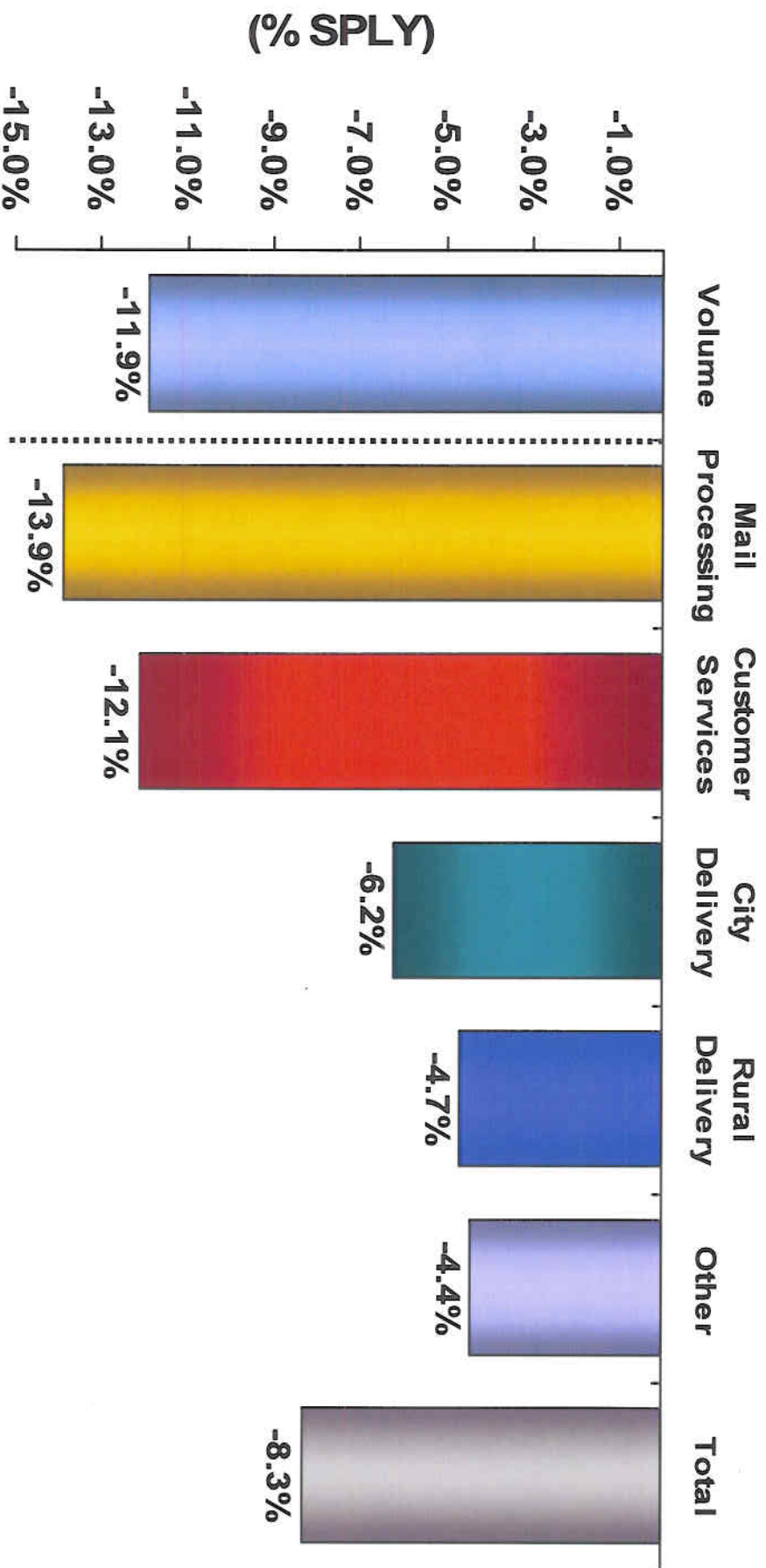
(Data in Millions)

[ ] = Unfavorable variance to Plan/SPLY  
 Numbers may not add due to rounding





# March YTD FY 2009 Workhours



# Statement of Operations

## March YTD FY 2009

	<u>Actual</u>	<u>SPLY</u>	<u>SPLY</u>	<u>%SPLY</u>
Revenue	\$36,046	\$39,300	[-\$3,254]	[-8.3%]
Expense	<u>38,335</u>	<u>39,335</u>	<u>-1,000</u>	<u>-2.5%</u>
Net Loss	<u><u>-\$ 2,289</u></u>	<u><u>-\$ 35</u></u>	<u><u>[-\$2,254]</u></u>	<u><u>[NM]</u></u>

**Mail Volume (%SPLY): -11.9%**

(Data in Millions)

[ ] = Unfavorable variance to Plan/SPLY  
 Numbers may not add due to rounding





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# **Financial Update**

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**Joseph Corbett**

**Chief Financial Officer & Executive Vice President**